

AMENDMENTS TO THE DRAWINGS

Submitted herewith please find two (2) sheets of replacement drawings in compliance with 37 C.F.R. § 1.121(d). The Examiner is respectfully requested to acknowledge receipt of these drawings.

The submitted drawings are intended to replace the drawings showing Figs. 1 and 12 previously submitted.

Enclosure:

2 Replacement Sheets

REMARKS

Claims 1-26 are all the claims pending in the application.

Claims 23-26 have been canceled without prejudice or disclaimer.

Claim 1 has been amended to address the 35 U.S.C. § 101 rejection and to correct a typographical error.

Claims 7 and 8 have been amended to address the 35 U.S.C. § 112, second paragraph rejections.

Claim 22 has been amended to correct a typographical error.

DRAWINGS

The Examiner has objected to the drawing because Figure 1 is allegedly prior art and Figure 2 is not in English. Applicant is submitting corrected replacement drawings. Therefore, the Examiner is requested to withdraw the objections.

SPECIFICATION

The Examiner has objected to the Abstract because it allegedly contains legal phraseology, the Title as being non-descriptive, and the specification as containing minor errors. Applicant has amended the specification to address these issues. Therefore, the Examiner is requested to withdraw the objections.

CLAIM OBJECTION

The Examiner has objected to claim 1 as containing a typographical error. Applicant has amended claim 1 to correct the error. Therefore, the Examiner is requested to withdraw the objection.

35 U.S.C. § 112 REJECTIONS

The Examiner has rejected claims 23-26 under 35 U.S.C. § 112, first paragraph.

Applicant has canceled these claims; therefore, these rejections are moot.

The Examiner has rejected claims 7 and 8 under 35 U.S.C. § 112, second paragraph as allegedly being indefinite. Applicant has amended claims 7 and 8 to further clarify the claimed invention. Therefore, the Examiner is requested to withdraw the rejections.

The Examiner has rejected claim 22 under 35 U.S.C. § 112, second paragraph as allegedly being indefinite. Applicant has amended claims 2 to further clarify the claimed invention. Therefore, the Examiner is requested to withdraw the rejection.

35 U.S.C. § 101 REJECTIONS

The Examiner has rejected claims 1-10 under 35 U.S.C. § 101, as allegedly being directed to non-statutory subject matter. Applicant has amended claim 1 to tie the claim to another statutory subject matter. Therefore, the Examiner is requested to withdraw these rejections.

The Examiner has rejected claims 23-26 under 35 U.S.C. § 101, as having improper claim language. Applicant has canceled these claims; therefore, these rejections are moot.

PRIOR ART REJECTIONS

Claims 1-2, 7, 11-12, 17 and 21 are rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Publication No. 2006/0098738 to Cosman et al. (hereinafter Cosman). Applicant traverses these rejections.

Applicant respectfully submits that Cosman's PCT filing date (January 9, 2004) is after the priority date (December 25, 2003) of the present application. As such, Applicant herewith submits a Verified Translation of the Priority Document for the present Application to perfect

priority. Applicant notes that Cosman is based on two provisional applications with filing dates prior to Applicant's foreign priority date. However, neither provisional application discloses or suggests the features of claim 1.

Cosman discloses that a frame encoded in a higher picture quality using a long term reference frame is stored in order to reduce picture deterioration caused by a change in bit rate. On the other hand, Applicant's invention is directed to improving the quality of moving pictures by using the persistence of vision, i.e., the human visual features. See par. [0072]. Cosman does not disclose or suggest that the encoding structure is controlled to periodically display frames encoded in a high picture quality. As a result Cosman does not improve the picture quality by using persistence of vision.

Claims 3-6, 8, 13-15 and 22 are rejected under 35 U.S.C. § 10(a) as being unpatentable over Cosman in view of Hui (WO 99/63760). Applicant traverses these rejections because Hui fails to make up for the deficiencies of Cosman described above.

Claims 9 and 19 are rejected under 35 U.S.C. § 10(a) as being unpatentable over Cosman in view of Yutaka (JP 2001-128179). Applicant traverses these rejections because Yutaka fails to make up for the deficiencies of Cosman described above.

Claims 10, 16, 18 and 20 are rejected under 35 U.S.C. § 10(a) as being unpatentable over Cosman in view of Hui and Yutaka (JP 2001-128179). Applicant traverses these rejections because Hui and Yutaka fail to make up for the deficiencies of Cosman described above.

The prior art rejections of claims 23-26 are moot given that these claims have been canceled.

In view of the above, reconsideration and allowance of this application are now believed to be in order, and such actions are hereby solicited. If any points remain in issue which the

Examiner feels may be best resolved through a personal or telephone interview, the Examiner is kindly requested to contact the undersigned at the telephone number listed below.

The USPTO is directed and authorized to charge all required fees, except for the Issue Fee and the Publication Fee, to Deposit Account No. 19-4880. Please also credit any overpayments to said Deposit Account.

Respectfully submitted,

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